USAID
FROM THE AMERICAN PEOPLE

MICROENTERPRISE RESULTS REPORTING

ANNUAL REPORT TO CONGRESS, FISCAL YEAR 2006

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The cover photo shows a woman selling vegetables at Arusha Market, Tanzania.

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ACRONYMS

CACEDRF	Central American and Caribbean Emergency Disaster Recovery Fund
CSH/HIV	Child Survival and Health/Human Immunodeficiency Virus
DA	Development Assistance
DCA	Development Credit Authority
ED	Enterprise Development
ESF	Economic Support Funds
FIELD-Support	Financial Integration, Economic Leveraging, Broad-Based Dissemination and Support Program
FSA	Freedom Support Act
FVP	Funds Benefiting the Very Poor
IDFA	International Disaster and Famine Assistance
LC	Local currency
MED	Microenterprise Development
MFI	Microfinance Institution
MRR	Microenterprise Results Reporting
MSED	Micro and Small Enterprise Development
NGO	Non-governmental Organization
PL	Public Law
PVO	Private Voluntary Organization
RDM/A	Regional Development Mission/Asia
SAI/SEED	Special Assistance Initiatives includes Support for Eastern European Democracy

INTRODUCTION

This report fulfills the provision in Section 6 of PL 108-484, the Microenterprise Results and Accountability Act of 2004, that each year, "the Administrator of the Agency, acting through the Director of the office, shall submit to the appropriate congressional committees a report that contains a detailed description of the implementation of this title for the previous fiscal year."

The United States Agency for International Development (USAID) has been recognized as the leader among donors in the field of microenterprise development and microfinance for almost three decades. USAID provides competitive awards to hundreds of diverse partners, ranging from non-governmental organizations to business associations to consulting firms to commercial banks. The Agency funds innovations in financial services, enterprise development, and enabling environment to strengthen the contribution microenterprises can make to poor households' well-being and economic growth.[1]

Financial services and enterprise development support are critical for poor households and businesses, enabling them to respond to new economic opportunities, build household assets, or cope with emergencies and crises. Improvements to the enabling environment allow microentrepreneurs to participate in markets, increase their earnings, and realize the benefits of international trade.

The Agency also identifies best practices, develops tools, and provides technical assistance for missions and implementers to strengthen their programs, and coordinates with other donors to promote good practices and aid effectiveness in microfinance and microenterprise development.

This report is in response to the reporting requirements of PL 108-484. Microenterprise Results Reporting (MRR), USAID's official activity for tracking microenterprise obligations and institutional results, has prepared Annual Reports on USAID's funding patterns and institutional results since 1996.[2] MRR gathered and summarized data obtained from USAID missions and implementing partners for the production of this Annual Report.

This report is structured to give readers a clear sense of USAID's implementation of the Microenterprise Results and Accountability Act of 2004. The following table provides a guide to the reporting requirements and the pages of the report on which they are addressed:

[1] **Financial services** refers to the provision of those financial services adapted to the needs of low-income people, especially the provision of small loans, the acceptance of small savings deposits and simple payments services needed by microentrepreneurs and other poor people. The term microfinance is used interchangeably with financial services in this report.
Enterprise development services refers to the many interventions that help microenterprises start, survive, and grow, including those that help them acquire skills and knowledge, gain access to financing and other inputs, and develop the commercial relationships with other firms (both micro-scale and larger firms) required to integrate into higher-value markets.
Enabling environment refers to activities that promote appropriate laws, policies, regulations, and supervisory and administrative practices that expand access to diverse financial services for low-income people or improve entrepreneurial opportunities and the business environment in which microenterprises operate.

[2] To view Annual Reports from previous years, visit www.mrreporting.org.

SUMMARY OF REPORTING REQUIREMENTS

Reporting Requirement		Location
1	**Funding:** The number of grants, cooperative agreements, contracts, contributions, or other form of assistance provided under section 252 [the section of the law authorizing USAID to provide microenterprise assistance], with a listing of:	Annex A, p. 19
	(A) the amount of each grant, cooperative agreement, contract, contribution or other form of assistance;	Annex A, p. 19
	(B) the name of each recipient and each developing country with respect to which projects or activities under the grant, cooperative agreement, contract, contribution, or other form of assistance were carried out; and	Annex A, p. 19
	(C) a listing of the number of countries receiving assistance authorized by section 252.	Annex A, p. 19
2	**Central Mechanisms:** The amount of assistance provided under section 252 through central mechanisms.	Annex B, p. 28
3	**Development Credit Authority:** The name of each country that receives assistance under section 256 [the section of the law pertaining to the Development Credit Authority and credit instruments] and the amount of such assistance.	Table 2, p. 8
4	**Contracts and Sub-Obligations:** The level of funding provided through contracts,	Table 3, p. 9
	the level of funding provided through grants, contracts, and cooperative agreements that is estimated to be subgranted or subcontracted, as the case may be, to direct service providers, and	Table 4, p. 9
	an analysis of the comparative cost-effectiveness and sustainability of projects carried out under these mechanisms.	p. 10
5	**Matching Assistance:** It is the sense of Congress that USAID should include in the report required by section 258 of the Foreign Assistance Act of 1961 [as added by section 6 of this Act [a description of all matching assistance [as described in paragraph (1)] provided for the prior year by recipients of microenterprise development assistance under such title.	p. 10
6	**Funds for Very Poor Clients:** The percentage of assistance furnished under section 252 that was allocated to the very poor based on the data collected using the certified methods required by section 254 [the section of the law outlining the requirement for USAID to develop client poverty assessment methods and require their use by awardees by October 2006].	Table 5, p. 11
7	The estimated number of the very poor reached with assistance provided under section 252.	p. 12
8	**Funds to Assist Victims of Trafficking and Exploitation:** Information on the efforts of the Agency to ensure that recipients of United States microenterprise and microfinance development assistance work closely with non-governmental organizations and foreign governments to identify and assist victims or potential victims of severe forms of trafficking in persons and women who are victims of or susceptible to other forms of exploitation and violence.	Table 6, p. 13
9	**Poverty and Race/Ethnicity:** An estimate of the percentage of beneficiaries of assistance under this title in countries where a strong relationship between poverty and race or ethnicity has been demonstrated.	Table 7, p. 14
10	**Poverty Assessment Methods:** The process of developing and applying poverty assessment procedures required under section 254.	p. 13
11	**Performance Monitoring System:** The results of the monitoring system required under section 253 [see A-D below].	p. 15

	(A) The monitoring system shall include performance goals for the assistance and expresses such goals in an objective and quantifiable form, to the extent feasible.	Table 8, p. 16
	(B) The monitoring system shall include performance indicators to be used in measuring or assessing the achievement of the performance goals described in paragraph (1) and the objective of the assistance authorized under section 252.	Table 8, p. 16
	(C) The monitoring system provides a basis for recommendations for adjustments to the assistance to enhance the sustainability and the impact of the assistance, particularly the impact of such assistance on the very poor, particularly poor women.	p. 15
	(D) The monitoring system adopts the widespread use of proven and effective poverty assessment tools to successfully identify the very poor and ensure that they receive adequate access to microenterprise loans, savings, and assistance.	p. 15
12	**Additional Information:** Any additional information relating to the provision of assistance authorized by this title, including the use of poverty assessment methods required by section 254, or additional information on assistance provided by the United States to support microenterprise development under this title or any other provision of law.	p. 17

EXECUTIVE SUMMARY

The results of the FY 2006 Microenterprise Results Reporting (MRR) Annual Report reflect USAID's investments and priorities in microfinance and microenterprise development. With more than 300 implementing partners, the FY 2006 data demonstrate the Agency's commitment to funding a range of partners, from private voluntary organizations (PVOs) and non-governmental organizations (NGOs) to consulting firms and banks. This year's data show strong Agency support for non-profit organizations (including NGOs, PVOs, cooperatives, and credit unions), which as a group received 65 percent ($141 million) of the overall obligations in FY 2006.

Funding to non-profit organizations includes obligations provided through the Financial Integration, Economic Leveraging, Broad-Based Dissemination and Support (FIELD-Support) program. FIELD-Support was launched in FY 2005 to provide USAID missions with an administratively streamlined, cost-effective source for a broad range of capabilities and competencies in microenterprise development. In FY 2006, USAID provided $64 million in funding through the FIELD-Support program.

The FY 2006 report also reflects USAID's continued commitment to leveraging its investments in microenterprise development. USAID helps strengthen the performance of increasingly commercial microfinance institutions (MFIs) to allow them to attract private investors and grow faster than if they relied solely on donor support. USAID also reduces some of the risk to private investors and lenders by offering partial credit guarantees and other enhancements. Through its Office of Development Credit, USAID has leveraged $5.2 million in funding into $207 million in credit from the private sector for institutions serving microfinance clients.

This year's Annual Report demonstrates MRR's emphasis on improved methodology and measurement, through targeted and more accurate data collection strategies. The most significant revision this year was the redesign of two results surveys. MRR combined and refined two distinct "business development services" questionnaires into a single, comprehensive "enterprise development" survey that provides more accurate results on the number of microenterprises assisted and funds benefiting the very poor. For enabling environment programs, MRR now employs a more concise survey with more specific terminology. These questionnaires elicited more precise responses from implementing partners and, therefore, more accurate results for the FY 2006 report. In particular, the higher percentages of funds benefiting the very poor in FY 2006 may be related to the redesigned enterprise development survey.

This report fulfills the 12 reporting requirements included in PL 108-484, the Microenterprise Results and Accountability Act of 2004. Key findings from USAID's implementation of reporting requirements include:

1. In FY 2006, USAID provided $216 million in funding for microenterprise development through 264 new and existing grants, cooperative agreements, and contracts in 61 countries.
2. USAID provided $25.1 million in funding through central mechanisms in FY 2006.
3. Through the use of credit guarantees, $5.2 million in USAID funding has leveraged $207 million in credit from the private sector for institutions serving microfinance clients.
4. USAID provided $66.1 million in funding through contracts to institutions in FY 2006. An estimated $60 million of the total microenterprise funding in FY 2006 was subgranted or subcontracted, with local institutions receiving 79 percent of this funding.
5. In FY 2006, USAID missions reported $24.4 million in USAID funds were matched by an additional $8.4 million from sources outside the U.S. Government.

6. In FY 2006, 36 percent of funding for financial services and 29 percent of funding for enterprise development benefited the very poor.[3]

7. The limitations of the "poverty loan" proxy[4] may understate some of the data for the percentages of funds benefiting the very poor. The phase-in of the poverty assessment methods ("poverty tools") in FY 2007 is expected to provide USAID with a better basis on which to determine the extent of service to very poor clients for the full range of microenterprise development activities.

8. Roughly $14.4 million of USAID's microenterprise funding in FY 2006 assisted victims of trafficking in persons and women who are particularly vulnerable to other forms of exploitation and violence.

9. In FY 2006, 53 percent of credit clients, 47 percent of savings clients, and 20 percent of enterprise development clients were located in countries where a relationship between poverty and race or ethnicity has been demonstrated.

10. USAID started implementing poverty assessment methods in October 2006. In FY 2006, USAID focused on developing and certifying country-specific methods and providing training on the methods to affected partner institutions. The FY 2007 annual report will include results from these certified methods to measure the share of their clients who are very poor.

11. USAID met or exceeded all of its outreach performance goals and indicators for FY 2006, with the exception of the funds benefiting the very poor.

12. As directed by the Microenterprise Results and Accountability Act of 2004, USAID funded its Microenterprise Development office in FY 2006, leveraged investments to meet the evolving and diverse needs for microenterprise development around the world, and supported key central programs designed to promote innovation and strengthen the ability of its missions and partners to meet the Agency's development objectives. USAID's investments in microenterprise development have stimulated a diversity of effective approaches, capable partners, strong local service providers, and responsive funding mechanisms to meet evolving needs for microenterprise development around the world. In FY 2006, USAID continued to leverage these investments to address new development challenges in rebuilding and developing countries, reach out to poorer and more vulnerable populations, and build the capacity of institutions to sustain and grow beyond USAID support.

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[3] "Very poor" is defined in the Microenterprise Results and Accountability Act of 2004 as people living on less than $1/day (purchasing power parity) or in the bottom 50 percent of those living below their country's poverty line.

[4] The poverty loan proxy is meant to approximate the poverty level of clients. It measures the number of loans that fall below certain maximum loan sizes established for each region.

REPORTING REQUIREMENT 1 A-C

FUNDING

In FY 2006, USAID provided a total of $216 million in microenterprise development assistance through 264 new and existing agreements. These took the form of grants, cooperative agreements, and contracts with 326 implementing partners in 61 countries. Annex A contains a listing of detailed information required by Congress, including the name of each country receiving assistance, the amount of each award, and the name of each institutional recipient. Annex B includes information on FY 2006 funding by bureau. Table 1 (below) shows the sources of FY 2006 USAID funds for microenterprise by appropriation account.

REPORTING REQUIREMENT 2

CENTRAL MECHANISMS

USAID provided $25.1 million in funding through central mechanisms from USAID/Washington in FY 2006, as shown below.

Central Mechanisms Funding	
Microenterprise Development office	$18.1 million
Food for Peace Office	$2.2 million
Private Voluntary Cooperation Office	$4.7 million
Women in Development Office	$0.1 million
Total	**$25.1 million**

Table 1. Sources of USAID Funds for Microenterprise by Appropriation Account (US$ millions), FY 1996-2006

Fund Name[5]	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
DA	$72.9	$83.3	$79.9	$74.1	$88.3	$85.3	$80.7	$89.9	$119.8	$131.6	$100.9
ESF	$16.1	$24.5	$33.9	$33.0	$25.2	$27.9	$48.1	$28.4	$17.7	$37.3	$77.6
FSA	$5.4	$20.6	$14.3	$12.8	$30.3	$19.6	$33.4	$41.0	$35.1	$21.0	$18.6
LC	$12.2	$11.8	$12.4	$17.3	$8.8	$13.7	$18.6	$4.8	$10.0	$6.7	$8.9
SAI/SEED	$4.7	$24.8	$4.6	$13.0	$9.2	$7.6	$6.7	$14.5	$13.9	$14.2	$8.5
CSH/HIV					$0.8	$0.5	$0.5	$1.0	$0.6	$0.4	
CACEDRF				$3.2	$8.0						
IDFA										$0.2	$1.4
Totals	**$111.4**	**$165.0**	**$145.1**	**$153.4**	**$170.6**	**$154.6**	**$188.0**	**$179.6**	**$197.1**	**$211.4**	**$216.0**

[5] DA – Development Assistance [includes INC (International Narcotics Control), IRRF (Iraq Relief and Reconstruction Fund), ACI (Andean Counternarcotics Initiative)]
ESF – Economic Support Funds
FSA – Freedom Support Act
LC – Local currency, from PL 480 (Title II) or balance of payments support
SAI/SEED – Special Assistance Initiatives includes Support for Eastern European Democracy
CSH/HIV – Child Survival and Health/Human Immunodeficiency Virus
CACEDRF – Central American and Caribbean Emergency Disaster Recovery Fund
IDFA – International Disaster and Famine Assistance

REPORTING REQUIREMENT 3

DEVELOPMENT CREDIT AUTHORITY

Since 1998, USAID's Office of Development Credit has allowed USAID missions to expand the capital base for microfinance by providing partial guarantees rather than grants. Such guarantees have been used by MFIs to finance their growing portfolios and encourage mainstream financial institutions, such as local commercial banks, to make loans to MFIs. A number of missions, such as Uganda, Morocco, Georgia, and Peru, have used this vehicle successfully to support market leaders and increase funding to the sector.

Table 2 presents the countries that have benefited through FY 2006 from the credit assistance made available under Development Credit Authority (DCA) and Micro and Small Enterprise Development (MSED) guarantees managed by the Office of Development Credit. The amounts shown under "Loan Facility" are the funds available for lending to the microfinance sector as a result of partial guarantees provided by USAID. Additional guarantees may benefit individual enterprises involved in other sectoral guarantees, such as agriculture or manufacturing. Through the use of credit guarantees, $5.2 million in USAID funding has leveraged $207.4 million in credit from the private sector for institutions serving microfinance clients.

REPORTING REQUIREMENT 4

USAID uses a variety of assistance mechanisms and implementing partners to maximize the effectiveness of its microenterprise development efforts around the world. The Microenterprise Results and Accountability Act of 2004 requires USAID to report on:

- The level of funding provided through contracts;
- The level of funding that is estimated to be subgranted or subcontracted, as the case may be, to direct service providers; and
- An analysis of the comparative cost-effectiveness and sustainability of projects carried out under these mechanisms.

Table 2. Outstanding USAID Guarantees Related to Microfinance (US$ thousands)[6]

Region	Country	Guarantee Subsidy[7]	Loan Facility
Africa	Kenya	$75	$800
	South Africa	$76	$8,333
	Uganda	$842	$17,700
Asia & Near East	Indonesia	$1,209	$16,400
	Morocco	$312	$20,000
Europe & Eurasia	Georgia	$77	$1,500
Latin America & Caribbean	Colombia	$80	$3,000
	Ecuador	$884	$12,400
	Guatemala	$116	$5,000
	Honduras	$278	$6,000
	Jamaica	$244	$8,500
	Peru	$575	$16,000
Centrally Funded	Worldwide	$421	$91,750
Total		**$5,188**	**$207,380**

[6] Guarantees include both mission-based DCA guarantees as well as Washington-based MSED guarantees.

[7] DCA subsidy costs vary based on associated factors, including country, lender, borrower, and transaction risk.

CONTRACTS

Table 3 summarizes the level of microenterprise funding in FY 2006 by type of institution and funding provided through contracts. Of the total FY 2006 funding of $216 million, $66.1 million was provided to a range of institutions via contracts. The change from FY 2005 to FY 2006 in funding through contracts (a decrease of $55.5 million) mainly reflects the FY 2006 commitment of $54 million for a new microfinance program in Afghanistan that is funded through a cooperative agreement.

Table 3. Recipients of USAID Funding for Microenterprise, FY 2006

Institution Type	Total Level of Funding (US$ millions)	Funding Through Contracts (US$ millions)
Non-Profits[8]	$140.5	$11.1
Consulting Firms	$50.4	$44.0
Other For-Profits[9]	$9.7	$6.4
All Other Entities[10]	$15.4	$4.6
Total	**$216.0**	**$66.1**

In FY 2006, non-profit institutions were direct recipients of 65 percent ($140.5 million) of total microenterprise funding, and consulting firms were direct recipients of 23 percent ($50.4 million). Non-profit partners include U.S.-based PVOs, local NGOs, cooperatives, and credit unions. The increase in funding to non-profit institutions over FY 2005 (an increase of $63 million) is again driven by the FY 2006 start-up of a new microfinance program in Afghanistan led by a consortium of PVOs.

[8] Non-Profits include PVOs, NGOs, cooperatives, and credit unions.

[9] Other For-Profits include banks, non-bank financial institutions, finance companies, and other for-profit institutions.

[10] All Other Entities includes business associations, government agencies, research and educational organizations, obligations to USAID for microenterprise project management, and institutions marked "other."

SUB-OBLIGATIONS

Table 4 reflects the estimated funding provided through grants, contracts, and cooperative agreements subgranted or subcontracted to direct service providers in FY 2006. During FY 2006, additional refinements were made to USAID's MRR system to improve accuracy in this reporting requirement. MRR data show that nearly $60 million (or 28 percent of total funding) was subgranted or subcontracted to 223 primarily local institutions in FY 2006. In FY 2005, $17.5 million (or 8 percent of total funding) was subgranted or subcontracted. The increase in reported sub-obligations in FY 2006 could be attributed to the improved accuracy of the MRR data collection system.

Funding subrecipients is an important indication of USAID's ability to involve local institutions in the Agency's microenterprise development efforts worldwide. Table 4 shows that at least 79 percent of subgranted or subcontracted funds were directed to local institutions in host countries (including cooperatives, credit unions, local NGOs, and non-bank financial institutions).

Table 4. Reported Sub-Obligations, FY 2006

Institution Type	Level of Funding for Subgrants and Subcontracts (US$ millions)
Consulting Firms	$1.7
Cooperatives	$0.4
Credit Unions	$10.5
Other For-Profits[11]	$6.9
NGOs	$30.1
Non-Bank Financial Institutions	$6.3
PVOs	$4.0
Total	**$59.8**

[11] Other For-Profits include banks, finance companies, and other for-profit institutions.

COST-EFFECTIVENESS AND SUSTAINABILITY

The Microenterprise Results and Accountability Act of 2004 calls for an analysis of the comparative cost-effectiveness and sustainability of projects carried out under the aforementioned mechanisms. Measures of cost-effectiveness and sustainability for any given project are derived from the specific objectives to be achieved by the project, the context in which it operates, and the duration of support. Given the broad application of microenterprise programs to meet development objectives, it is problematic to calculate and compare these measures using only the results data tracked by MRR. Nevertheless, USAID continues to examine the cost-effectiveness and sustainability of microenterprise projects in evaluations of individual projects.

USAID has taken steps to meet this reporting requirement outside the MRR system by undertaking a comparative study of the performance of integrated programs that include a substantial microenterprise component, which USAID terms "umbrella programs." Published in July 2006, the study looked at microfinance umbrella programs that were led by both for-profit and non-profit institutions and that were funded through a variety of assistance mechanisms, including contracts. The objectives of the study were to "understand the advantages and disadvantages of umbrellas to provide better guidance to Missions on whether and when to use umbrellas, and how best to design, implement, and manage these programs." The study was conclusive and revealed that, for microfinance umbrella programs as well as for other USAID programs, the choice of assistance instrument is not a factor in determining sustainability. Contracts are used to procure services defined by USAID's development objectives, while grants and cooperative agreements are used to support existing services defined by the institutional mission and objectives of USAID's partners. As USAID moves into new regions where there is a need for microenterprise services—for example, in post-conflict areas—it relies on the capacity of institutions already on the ground to implement new programs.

Pursuant to Congress' interests under this reporting requirement, MRR does track the financial and operational sustainability[12] of microfinance institutions supported by USAID. In FY 2006, the majority of USAID-supported microfinance institutions were considered self-sustaining, with 69 percent having reached operational sustainability and 63 percent having reached financial sustainability. As USAID considers an institution's sustainability to be related to its cost-effectiveness, USAID utilizes a number of methods to assist microfinance institutions to become self-sustaining. These methods include: 1) emphasizing that implementing partners develop concrete plans for sustainability, so that their revenues cover all their costs; 2) providing funds and technical assistance to build strong institutions that can continue serving their clients after USAID support ends; 3) identifying best practices and business models to achieve sustainability; and 4) providing credit guarantees to help microfinance institutions access private capital for financing future growth.

REPORTING REQUIREMENT 5

MATCHING ASSISTANCE

USAID frequently requires that its funds for a particular purpose be matched by funds from other sources, including the institution itself. In FY 2006, USAID missions reported that $24.4 million of USAID funds were matched by $8.4 million from other sources. Matching funds come from non-U.S. Government sources, including private donations, multilateral funding, commercial and concessional borrowing, savings, and program income.

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[12] Operational sustainability of an institution refers to the institution's ability to generate sufficient revenue from operations to cover all of its operating costs, including loan losses and the costs of capital. Financial sustainability of an institution refers to the institution's ability to generate sufficient revenue to cover commercial sources at market rates, adjusted for the effects of inflation and subsidies.

REPORTING REQUIREMENTS 6-7

FUNDS FOR VERY POOR CLIENTS[13]

As in previous years, the FY 2006 MRR data uses the "poverty loan" proxy to determine the amount of FY 2006 funds directed to very poor clients. The Microenterprise Results and Accountability Act of 2004 extended the deadline for implementing new poverty assessment methods to October 1, 2006. The FY 2007 annual report will be the first to include results from the new poverty assessment methods. (For information on the development of the poverty assessment methods, see Reporting Requirement 10.)

The Microenterprise for Self Reliance Act of 2000, as amended, mandates that at least one-half of all USAID funding support for microenterprise development directly benefit the very poor, and establishes a poverty loan proxy for estimating the poverty status of clients. The poverty loan proxy measures the number of loans that fall below certain maximum loan sizes (or "thresholds") established for each region.

Poverty loan thresholds were set (in 1995 US$) at:

- $300 in Asia, the Near East, and Africa;
- $400 in Latin America and the Caribbean; and
- $1,000 in Europe and Eurasia.

For microfinance institutions, Funds Benefiting the Very Poor (FVP) is based on the percentage of the total loan portfolio held in poverty loans. For enterprise development institutions, FVP is based on the percentage of clients estimated to hold outstanding poverty loans from any source. Table 5 shows FVP for microfinance and enterprise development programs in FY 2006, using the proxy of poverty loan size in 1995 dollars. (Because policy programs cannot report client-level data, they are excluded from Table 5.) In FY 2006, an estimated 36 percent of funding for financial services programming and an estimated 29 percent of funding for enterprise development programs directly benefited the very poor. Overall, 32 percent of relevant USAID funding for microenterprise development directly benefited the very poor.

Table 5. Percentage of Funds Benefiting the Very Poor, FY 2006

Bureau	Total Microenterprise Funding[14] (US$ millions)	Percent of Funding for the Very Poor		
		Financial Services	Enterprise Development	Total Portfolio
Africa	$32.4	27%	27%	27%
Asia & Near East	$103.3	38%	33%	36%
Europe & Eurasia	$23.3	4%	14%	12%
Latin America & Caribbean	$17.3	46%	32%	37%
Centrally Funded	$15.6	44%	54%	51%
Total All Bureaus	**$191.9**	**36%**	**29%**	**32%**

[13] "Very poor" is defined in the Microenterprise Results and Accountability Act of 2004 as people living on less than $1/day (purchasing power parity) or in the bottom 50 percent of those living below their country's poverty line.

[14] The total of $191.9 million excludes funds for policy, USAID management support, and pending agreements. The calculated percentages reflect activities for which there is client data that can be used to determine whether the beneficiaries were very poor.

The Microenterprise for Self Reliance Act of 2000, as amended, set poverty loan values in terms of 1995 U.S. dollars. If the effect of inflation were taken into account, the poverty loan amounts of $300, $400, and $1,000 in 1995 U.S. dollars would be valued in 2006 U.S. dollars at $397, $529, and $1,322, respectively. If USAID-supported institutions had reported against these inflation-adjusted values, higher numbers of loans would have met the legislated benchmark for poverty loans.

Although these figures do not meet the target of 50 percent of total microenterprise development funds directly benefiting very poor clients, these results demonstrate an increase over the results recorded in FY 2005 for enterprise development programs (29 percent in FY 2006 compared to 18 percent in FY 2005) and for the total portfolio (32 percent in FY 2006 compared to 23 percent in FY 2005).

The increased FY 2006 FVP may be related to improvements made to the results survey for enterprise development programs. Several modifications to the survey improved the accuracy of data collection, in particular indicators on the number of microenterprises assisted and the number of very poor clients. These changes do not reflect a shift in methodology; rather, they increase the likelihood that enterprise development practitioners understand and report on the established poverty loan proxy.

Nonetheless, the poverty loan proxy continues to be difficult for many enterprise development programs to estimate. Many such programs do not track whether their clients have poverty loans, particularly if the institutions do not offer loans themselves. It has been noted in previous annual reports that the poverty loan percentages provided by enterprise development programs are at best very rough estimates. It is likely that the actual numbers are higher than those presented, as many enterprise development clients are located in rural areas, where the incidence of poverty is consistently higher than in urban areas.

An additional factor may skew results for this reporting requirement. Funds for the very poor are influenced by the low incidence of extreme poverty in the Europe and Eurasia region, where FVP is 4 percent for financial services and 14 percent for enterprise development—by far the lowest of all regions. Demand for microenterprise development assistance continues to be strong in this region, yet a significantly smaller portion of this region's population actually meets the legislated definition of "very poor" than that of other regions. For example, Albania's economy is dominated by microenterprises and small businesses, yet only 10.4 percent of the population is considered very poor based on a nationally established poverty line. While funding in the Europe and Eurasia region provides positive benefits to microenterprise clients, it tends to lower the overall percentage of microenterprise funds that benefit the very poor.

NUMBER OF VERY POOR CLIENTS

The Microenterprise Results and Accountability Act of 2004 also directs USAID to report on the estimated number of very poor clients. Unlike the currently used poverty loan proxy which captures the number of poverty *loans* benefiting the very poor, the new poverty assessment methods are intended to capture the number of very poor *clients* reached. Since the new poverty assessment methods were launched in October 2006, the FY 2006 report continues to report on results using the loan proxy for activities supported prior to October 2006. Accordingly, it cannot report on the number of very poor clients. There is no reliable way to translate numbers of poverty loans into numbers of very poor clients.

The phase-in of poverty assessment methods, as explained under Reporting Requirement 10 on page 13, is expected to provide USAID a better basis on which to determine the extent of service to very poor clients for the full range of microenterprise development activities.

REPORTING REQUIREMENT 8

FUNDS TO ASSIST VICTIMS OF TRAFFICKING AND EXPLOITATION

The Microenterprise Results and Accountability Act of 2004 mandates that USAID request information from field missions on their efforts to ensure that recipients of USAID microenterprise and microfinance development assistance work closely with NGOs and foreign governments to identify and assist victims of potential or severe forms of trafficking in persons and women who are victims of or susceptible to other forms of exploitation and violence. Table 6 shows, by region, microenterprise funding obligated to microenterprise institutions specifically engaged in serving these groups.

Missions that reported funding for institutions serving these groups include Sudan in the Africa region, Pakistan in the Asia and Near East region, and Ukraine in the Europe and Eurasia region. The Office of Private Voluntary Cooperation also reported funding to 11 institutions for microenterprise activities that serve victims of trafficking and exploitation.

REPORTING REQUIREMENT 9

POVERTY AND RACE/ETHNICITY

As mandated by the Microenterprise Results and Accountability Act of 2004, USAID is required to report "[a]n estimate of the percentage of beneficiaries of assistance under this title in countries where a strong relationship between poverty and race or ethnicity has been demonstrated." MRR requested information in FY 2006 from USAID field missions in relation to this requirement. Table 7 reports on the number of microenterprise clients where missions report that a relationship between poverty and race or ethnicity has been demonstrated.

REPORTING REQUIREMENT 10

POVERTY ASSESSMENT METHODS

The Microenterprise Results and Accountability Act of 2004 also requires this report to address:

"The process of developing and applying poverty assessment procedures required under section 254 [the section of the law outlining the requirement for USAID to develop client poverty assessment measurements and require their use by awardees by October 2006]."

Table 6. USAID Microenterprise Funding to Assist Victims of Trafficking and Exploitation, FY 2006 (US$ millions)

Region	Financial Services & Related Enabling Environment (US$ millions)	Enterprise Development & Related Enabling Environment (US$ millions)	Total (US$ millions)
Africa	$2.45	$0.02	$2.47
Asia & Near East	$4.00	$3.22	$7.22
Europe & Eurasia	–	$0.32	$0.32
Centrally Funded	$4.41	–	$4.41
Total	**$10.86**	**$3.56**	**$14.43**

Table 7. Estimate of Clients in Countries Where a Relationship Has Been Demonstrated Between Poverty and Race or Ethnicity

Region	Country[15]	Financial Services[16]		Enterprise Development
		Borrowers	Savings Clients	Microenterprises Assisted
Africa	Mali	–	–	469
	Nigeria	83,762	88,250	10
	South Africa	307,137	395,572	464
Asia & Near East	Bangladesh	–	–	3,222
	India	123,359	–	6,060
	Nepal	–	–	12,840
	Pakistan	–	–	7,835
	Philippines	–	–	2,353
Europe & Eurasia	Albania	10,338	–	1,137
	Central Asian Republics	–	–	1,202
	Georgia	61	–	–
	Kyrgyzstan	37,867	–	–
	Montenegro	–	–	693
	Serbia	3,405	87	1,153
Latin America & Caribbean	Bolivia	64,160	395,030	–
	Brazil	11,207	–	125
	Colombia	48,644	11,364	15,578
	Ecuador	357,815	715,133	–
	Guatemala	3,182	3,182	1,598
	Mexico	1,606,194	1,224,454	–
	Nicaragua	1,188	–	–
	Panama	–	–	17
	Peru	22,467	5,896	1,756
Centrally Funded	PVC – Burundi, Democratic Republic of Congo, and Kenya			1970
Total		**2,680,786**	**2,838,967**	**58,482**
As percent of total microenterprise clients worldwide		53%	47%	20%

[15] USAID mission staff reported that a relationship is known to exist in these countries. There may be other countries where such a relationship exists but has not been reported to MRR.

[16] Borrowers and Savings Clients may refer to the same individuals in the case of some institutions that offer both services.

The lack of widely applicable, low-cost, easy-to-use methods for poverty assessment has made it difficult for USAID to determine whether it is meeting targets for assistance to the very poor as mandated in the Microenterprise for Self-Reliance Act of 2000. Therefore, under the Microenterprise Results and Accountability Act of 2004, USAID must develop and certify at least two methods for assessing the poverty level of its microenterprise clients and require USAID-assisted institutions supporting microenterprises to begin implementing the methods by October 1, 2006. Methodologists, academic advisors, and practitioners collaborated in developing, testing, and certifying two poverty assessment methods that could have been implemented in time to meet the October 1, 2006 deadline. However, whereas USAID and its partners had hoped that these two methods would help identify client poverty status with acceptable accuracy across a wide range of countries, this proved not to be the case. Results from the testing process stipulated in the Act indicated that achieving reasonable accuracy would require tailoring methods to specific country characteristics.

During FY 2006, USAID has focused on developing and certifying country-specific poverty assessment methods and providing training to ensure that affected partner organizations can use those methods to gather the required information. Using data from the most recent MRR annual report (FY 2005), the Agency prioritized countries with the largest USAID-supported microenterprise development programs for development of poverty assessment methods. This priority list was further refined by the availability of recent household survey data, which allow methods to be developed relatively quickly. [17] For countries with a poverty assessment method certified by June 30, 2007, USAID will require that all organizations receiving at least $100,000 in USAID microenterprise support in FY 2007 implement the method and report results in the FY 2007 MRR data collection. USAID has certified poverty assessment methods for 12 countries: Albania, Bangladesh, Ghana, Guatemala, India, Jamaica, Kazakhstan, Madagascar, Peru, Tajikistan, Uganda, and Vietnam. USAID expects to certify poverty assessment methods for at least five additional countries by the end of June 2007.

To ensure effective implementation of the poverty assessment methods, USAID sponsored four training sessions for staff from partner institutions: one in Washington, DC, for U.S.-based organizations and networks, plus regional sessions in Uganda, Peru, and Cambodia. Participants received intensive hands-on training in all aspects of using the methods and produced implementation plans for their institutions. A Help Desk also provides ongoing assistance to institutions implementing the methods.

USAID will continue to work in partnership with researchers and the practitioner community to develop and/or certify country-specific poverty assessment methods for all other countries in which USAID operates microenterprise programs. For more information about the process of developing, testing and certifying the methods, go to www.povertytools.org.

REPORTING REQUIREMENT 11

PERFORMANCE MONITORING SYSTEM

Several provisions of the Microenterprise Results and Accountability Act of 2004 address performance monitoring. These provisions read as follows:

1. "The monitoring system shall include performance goals for the assistance and express such goals in an objective and quantifiable form, to the extent feasible."
2. "The monitoring system shall include performance indicators to be used in measuring or assessing the achievement of the performance goals described in paragraph (1) and the objective of the assistance authorized

[17] Developing methods for countries where such data are not already available requires that USAID gather the data itself, a very time-consuming and expensive process.

under section 252 [of the Foreign Assistance Act of 1961, as amended]."

3. "The monitoring system provides a basis for recommendations for adjustments to the assistance to enhance the sustainability and the impact of the assistance, particularly the impact of such assistance on the very poor, particularly poor women."

4. "The monitoring system adopts the widespread use of proven and effective poverty assessment tools to successfully identify the very poor and ensure that they receive adequate access to microenterprise loans, savings, and assistance."

As a basis for the performance monitoring system, USAID set the outreach performance goals and indicators for FY 2006 that appear in Table 8.

On a worldwide basis, USAID and its implementing partners substantially met or exceeded nearly all performance goals. Performance was particularly strong with respect to the number of microfinance and enterprise development clients served.

Performance goals were also surpassed for clients of enterprise development activities. In prior years, the enterprise development survey required institutions to provide data on the number of "microentrepreneur clients." This terminology elicited differing interpretations, with some institutions providing the number of businesses and others providing the number of individuals involved in their projects. To eliminate this confusion in the FY 2006 survey, MRR broke this indicator into two separate questions: first, the number of microenterprises assisted, and second, the number of employees of those microenterprises. Accordingly, USAID can report that it reached 289,566 microenterprises and 1.4 million employees of those microenterprises in FY 2006. USAID expects to further refine these new indicators in FY 2007 to ensure even more accurate data collection.

For microfinance activities, USAID exceeded its goals for percent of women clients, rural clients, and financially sustainable MFIs. USAID also met its goal for percentage of women clients and percentage of rural clients for enterprise development activities.

Table 8. Performance Goals and Results FY 2006

	FY 2006 Results	FY 2006 Goal
Microfinance Clients		
Borrowers	5.05 million	4 million
Savers	6.04 million	5 million
Women Clients	64%	60%
Rural Clients	53%	40%
Funds Benefiting the Very Poor	36%	50%
Financially Sustainable MFIs	63%	50%
Enterprise Development Clients		
Microenterprises Assisted	289,566	250,000
Employees of Microenterprises Assisted	1.4 million	750,000
Women Clients	36%	30%
Rural Clients	76%	75%
Funds Benefiting the Very Poor	29%	50%

For the percentage of funds benefiting the very poor, USAID did not meet the goal of 50 percent, as established by the Microenterprise for Self-Reliance Act of 2000, as amended. With the phase-in of the poverty assessment methods, as explained in the section for Reporting Requirement 10, USAID expects to have a better basis on which to determine the extent of service to very poor clients for the full range of microenterprise development activities. This in turn will provide a better basis for setting realistic performance goals and identifying opportunities to prescribe specific actions to improve performance.

REPORTING REQUIREMENT 12

ADDITIONAL INFORMATION

As directed by the Microenterprise Results Accountability Act of 2004, USAID funded its Microenterprise Development office in FY 2006, leveraged investments to meet the evolving and diverse needs for microenterprise development around the world, and supported key central programs designed to promote innovation and strengthen the ability of its missions and partners to meet the Agency's development objectives.

LEVERAGING INVESTMENTS IN MICROENTERPRISE DEVELOPMENT

USAID's investments in microenterprise development have stimulated a diversity of effective approaches, capable partners, strong local service providers, and responsive funding mechanisms to meet evolving needs for microenterprise development around the world. In FY 2006, USAID continued to leverage these investments to address new development challenges, reach out to poorer and more vulnerable populations, and build the capacity of institutions to sustain and grow beyond USAID support.

A growing priority for USAID is addressing the complex needs of populations living in areas affected by conflict. Microenterprise development can help stabilize their livelihoods, protect and build assets, and effectively transition from subsistence to more prosperous economic opportunities. As conflict has gravely depleted the resources and capacity in some of these rebuilding and developing countries, USAID has infused substantial funds to invest in building up new institutions, linkages, systems, and policies to support microenterprises. A notable example in FY 2006 is $54 million for PVOs and local institutions to strengthen and expand the microfinance sector in Afghanistan.

In other areas, USAID is working to reach more women as well as poorer and more vulnerable populations with its microenterprise development assistance. USAID is committed to helping these groups survive and thrive in today's globalized economy by expanding their access to the tools, resources, skills, and opportunities to do so. Often USAID works with existing institutions and partners to better understand the needs of these households and offer more suitable products, services, and delivery channels. USAID also develops and implements strategies to empower and integrate these marginalized populations into the mainstream economy.

To maximize Agency investments, USAID has also prioritized linking private sources of capital and other funding to partners employing effective microenterprise development strategies. For example, USAID leveraged $5.2 million of its funds to make available $207.4 million from commercial banks during FY 2006 to independently finance microfinance institutions around the world. Through other mechanisms, such as USAID's Global Development Alliance, USAID has also promoted partnerships with private corporations to leverage corporate social responsibility efforts and to invest in upgrading the operations of microenterprises to become valuable corporate partners. A notable example is USAID's partnership with Chevron in Angola, which launched the Agricultural Development and Finance Program in FY 2006 to integrate rural microenterprises into growing markets.

USAID also leverages its investments through its state-of-the-art microenterprise knowledge management program and Web site, www.microLINKS.org, which connects practitioners with each other and with the latest learning in

microenterprise development. This facilitates collaboration and peer assistance to identify promising innovations, refine and disseminate lessons learned and best practices, and adapt them for application in the field. Through a sophisticated, award-winning program of facilitated learning networks, virtual conferences and communities of practice, audio interviews with leading experts, and in-person seminars enhanced by virtual access, the Agency brings its technical leadership to bear on microenterprise activities well beyond those that it directly supports.

KEY CENTRAL PROGRAMS

In FY 2006, USAID's microenterprise specialists provided on-site assistance to field programs and missions including those in Afghanistan, Angola, Armenia, Bolivia, Brazil, Cambodia, Ghana, Haiti, Indonesia, Jordan/Iraq, Madagascar, Malawi, Mexico, Morocco, Nigeria, Pakistan, Peru, Philippines, South Africa, Thailand, and Uganda. Combined with extensive virtual assistance to other countries, this centralized technical assistance serves to ensure the Agency's microenterprise development strategies and programs are effective and in accordance with the Microenterprise Results and Accountability Act of 2004.

Launched during FY 2005, the Financial Integration, Economic Leveraging, Broad-Based Dissemination and Support (FIELD-Support) program provides missions with a streamlined, cost-effective source for a broad range of capabilities and competencies in microenterprise development. FIELD-Support is led by a consortium of PVOs and is authorized to receive up to $353 million from USAID missions and offices over a period of five years. In FY 2006, USAID provided $64 million through FIELD-Support to launch new activities in Afghanistan and West Bank/Gaza, the Microenterprise Development office, and the Office of Natural Resources Management. These new programs are valued at $101 million (or 29 percent of the funding ceiling) over the course of the new activities.

In FY 2006, USAID awarded the latest round of competitive grants designed to push the frontier of innovation in microfinance and enterprise development, demonstrate effective approaches to microenterprise development, and share the innovations with the broader microenterprise industry. The microfinance awards are pursuing strategies for reaching and retaining underserved populations in Malawi, Mexico, Morocco, Pakistan, and Peru. The new microfinance programs aim to reach nearly 250,000 clients in challenging rural areas, in a post-disaster reconstruction zone, and among underserved youth. The enterprise development awards are applying approaches to integrate poor households into productive value chains in India, Madagascar, and the Philippines. The new enterprise development programs plan to reach about 20,000 rural microenterprises in the banana, horticulture, and tourism sectors. Recipients of these new grants will also participate in learning networks to further stimulate innovations, codify good practices, and distill lessons learned that can be applied by USAID and its partners in future microenterprise development efforts.

ANNEX A: INSTITUTIONS WITH AMOUNTS OF FY 2006 FUNDING BY BUREAU (US$ THOUSANDS)

The information in Annex A was generated from the MRR database and is current as of June 2007. MRR is a live system that can be updated by missions and institutions at any time.

ANNEX A: INSTITUTIONS WITH AMOUNTS OF FY 2006 FUNDING BY BUREAU (US$ THOUSANDS)

MISSION	INSTITUTION	FUNCTION	OBLIGATION AMOUNT
	AFRICA BUREAU		
Angola	Cooperative League of the United States	ED	$350
	Total Angola		**$350**
DR Congo	International Institute of Tropical Agriculture	ED	$100
	Agreement Pending	ED	$118
	Agreement Pending	ED	$170
	Agreement Pending	ED	$91
	Total DR Congo		**$479**
Ethiopia	REST Relief Society of Tigray	ED	$1,309
	Chemonics International, Inc.	ED	$1,200
	Catholic Relief Services	ED	$962
	CARE	ED	$665
	Save the Children/UK	ED	$1,170
	CHF International	ED	$356
	World Vision Inc./East Africa	ED	$232
	Save the Children	ED	$111
	Food for the Hungry International	ED	$724
	Total Ethiopia		**$6,730**
Ghana	ADRA Adventist Relief Agency	ED	$111
	Opportunities Industrialization Centers International	ED	$399
	TechnoServe	ED	$1,734
	Total Ghana		**$2,244**
Guinea	ICRAF	ED	$600
	Total Guinea		**$600**
Kenya	Emerging Markets Group	ED	$450
	Kenya Institute for Public Policy Research and Analysis	MED POLICY	$104
	DAI/Kenya (dba Kenya Microfinance Capacity Building)	FINANCIAL POLICY	$575
	Government of Kenya	ED	$772
	Emerging Markets Group	ED	$738
	Total Kenya		**$2,639**
Liberia	AGRHA Action for Greater Harvest	ED	$175
	Academy for Educational Development	ED	$20
	Total Liberia		**$195**
Madagascar	Agreement Pending	ED	$200
	Total Madagascar		**$200**
Malawi	Land O'Lakes, Inc.	ED	$68
	National Smallholder Farmers' Association of Malawi	ED	$165
	Chemonics International, Inc.	FINANCIAL POLICY	$375
	Chemonics International, Inc.	FINANCE	$375
	Development Alternatives, Inc.	ED	$600
	Total Malawi		**$1,583**
Mali	Chemonics International, Inc.	FINANCE	$250
	Planet Rating	FINANCE	$100
	Chemonics International, Inc.	ED	$1,074
	Total Mali		**$1,424**
Mozambique	CARE	ED	$100
	NovoBanco	ED	$406

MISSION	INSTITUTION	FUNCTION	OBLIGATION AMOUNT
	Opportunity International	ED	$461
	Africare	ED	$100
	TechnoServe, Inc.	ED	$300
	DAP II World Vision	ED	$100
	Total Mozambique		**$1,467**
Nigeria	Chemonics International, Inc.	FINANCE	$1,772
	OIC International	FINANCE	$994
	Chemonics International, Inc.	FINANCE	$1,793
	Fidelity Bank Plc	FINANCE	$266
	Associates in Rural Development	ED	$1,781
	Total Nigeria		**$6,606**
Senegal	International Resources Group	ED	$672
	International Resources Group	MED POLICY	$600
	Microenterprise Support	ED	$400
	Total Senegal		**$1,672**
Sierra Leone	American Refugee Committee	ED	$53
	Total Sierra Leone		**$53**
South Africa	Volunteers for Economic Growth Alliance-IESC SAAGA	ED	$350
	Abt Associates	ED	$165
	Total South Africa		**$515**
Sudan	Chemonics International, Inc.	FINANCE	$2,450
	Total Sudan		**$2,450**
Tanzania	Appropriate Technologies for Enterprise Creation	ED	$50
	Development Alternatives, Inc.	ED	$825
	TechnoServe, Inc.	ED	$515
	Enterprise Works	ED	$450
	Agreement Pending	ED	$296
	Total Tanzania		**$2,136**
Uganda	Rural SPEED Chemonics	FINANCE	$2,500
	Fisheries Investment for Sustainable Harvest	ED	$50
	ACDI/VOCA	ED	$362
	Agricultural Productivity Enhancement Program	ED	$1,250
	Land O' Lakes	ED	$500
	Total Uganda		**$4,662**
Zambia	Cooperative League of the USA - Production, Finance and Technology	ED	$400
	Development Alternatives, Inc.	ED	$200
	Total Zambia		**$600**
	Total Africa		**$36,605**
	ASIA & NEAR EAST BUREAU		
Afghanistan	Academy for Educational Development	FINANCE	$6,370
	Academy for Educational Development	FINANCE	$37
	Academy for Educational Development	FINANCE	$20,000
	Academy for Educational Development	FINANCE	$28,091
	Total Afghanistan		**$54,498**
Bangladesh	International Resources Group	ED	$53
	Winrock International (Management of Aquatic Ecosystem through Community Husbandry)	FINANCE	$295

MISSION	INSTITUTION	FUNCTION	OBLIGATION AMOUNT
	Winrock International (Management of Aquatic Ecosystem through Community Husbandry)	ED	$49
	Total Bangladesh		**$397**
Cambodia	Development Alternatives, Inc.	FINANCE	$1,727
	Total Cambodia		**$1,727**
East Timor	Development Alternatives, Inc.	ED	$500
	Development Alternatives, Inc.	FINANCE	$590
	Development Alternatives, Inc.	ED	$148
	Development Alternatives, Inc.	MED POLICY	$250
	Development Alternatives, Inc.	FINANCE	$250
	Total East Timor		**$1,738**
Egypt	Chemonics International, Inc.	FINANCIAL POLICY	$1,000
	Chemonics International, Inc.	FINANCE	$4,352
	The Egyptian Foundation for Lending, Empowering, Advancing & Developing Project (LEAD)	FINANCE	$9,811
	Total Egypt		**$15,163**
India	ACDI/VOCA	ED	$610
	Total India		**$610**
Indonesia	Booz Allen Hamilton	FINANCIAL POLICY	$373
	Development Alternatives, Inc./SENADA	FINANCIAL POLICY	$671
	Development Alternatives, Inc./AMARTA	ED	$450
	The Asia Foundation	MED POLICY	$250
	Total Indonesia		**$1,744**
Iraq	Al Bashair Center	FINANCE	$250
	Al Aman	FINANCE	$250
	CHF/ASCI	FINANCE	$2,908
	ACDI/VOCA	FINANCE	$3,998
	Relief International	FINANCE	$3,600
	Al Inma	FINANCE	$250
	Total Iraq		**$11,256**
Jordan	Achievement of Market-Friendly Initiatives and Results Program	ED	$332
	Total Jordan		**$332**
Lebanon	CHF/Association for Rural Development	FINANCE	$200
	Ameen s.a.l.	FINANCE	$250
	Total Lebanon		**$450**
Mongolia	Gobi Initiative -Phase II Mercy Corps and PACT Inc.	ED	$2,508
	CHF International	ED	$714
	Total Mongolia		**$3,222**
Nepal	International Development Enterprises	ED	$500
	Save the Children	ED	$1,488
	Total Nepal		**$1,988**
Pakistan	KB Khushhalibank	FINANCE	$2,000
	Pakistan Poverty Alleviation Fund	FINANCE	$2,400
	SAS Shorebank International Ltd	FINANCE	$2,000
	Total Pakistan		**$6,400**
Philippines	Chemonics International, Inc.	FINANCE	$490
	WOCCU/Credit Union Empowerment & Strengthen	FINANCE	$800
	Total Philippines		**$1,290**

MISSION	INSTITUTION	FUNCTION	OBLIGATION AMOUNT
RDM/A	Winrock International	FINANCE	$100
	The Bridge Fund	FINANCE	$200
	Total RDM/A		**$300**
West Bank /Gaza	Academy for Educational Development	FINANCE	$4,700
	Total West Bank/Gaza		**$4,700**
	Total Asia & Near East		**$105,815**
	EUROPE & EURASIA BUREAU		
Albania	Chemonics Inc/Small Business Credit Assistance Project	ED	$500
	Development Alternatives, Inc.	ED	$500
	Total Albania		**$1,000**
Armenia	Development Alternatives, Inc.	ED	$73
	Total Armenia		**$73**
Azerbaijan	ACDI/VOCA	FINANCE	$1,800
	International Rescue Committee	ED	$345
	Pragma Corporation	ED	$1,700
	Total Azerbaijan		**$3,845**
Belarus	Citizens Network for Foreign Affairs	ED	$60
	Eurasia Foundation	ED	$67
	Total Belarus		**$127**
Bulgaria	Agreement Pending	FINANCE	$100
	Microenterprise Support	FINANCE	$100
	Total Bulgaria		**$200**
Central Asian Republics	Winrock International	ED	$40
	Central Asian Microfinance Alliance	FINANCE	$95
	Development Alternatives, Inc.	ED	$23
	Total Central Asian Republics		**$158**
Croatia	Development Alternatives, Inc.	ED	$1,056
	Total Croatia		**$1,056**
Europe & Eurasia Bureau	Segura IP3 Partners LLC	FINANCIAL POLICY	$60
	Segura IP3 Partners LLC	FINANCIAL POLICY	$100
	Total Europe & Eurasia Bureau		**$160**
Georgia	ACDI/VOCA	MED POLICY	$91
	International Executive Service Corps	MED POLICY	$32
	International Executive Service Corps	ED	$160
	ACDI/VOCA	ED	$680
	International Executive Service Corps	FINANCIAL POLICY	$80
	International Executive Service Corps	FINANCE	$64
	CHF International	ED	$770
	Constanta Foundation	FINANCE	$77
	Total Georgia		**$1,954**
Kazakhstan	Kazakhstan Small Business Development Project	ED	$260
	Central Asian Microfinance Alliance	FINANCE	$151
	The Pragma Corporation	ED	$85
	The Pragma Corporation/BEI	MED POLICY	$229
	Total Kazakhstan		**$725**
Kosovo	Kosovo Cluster and Business Support	ED	$700
	Total Kosovo		**$700**
Kyrgyzstan	Micro and Small Finance Facility	FINANCE	$520

MISSION	INSTITUTION	FUNCTION	OBLIGATION AMOUNT
	Winrock International	ED	$30
	The Pragma Corporation/Enterprise Development Project	ED	$60
	Land Reform/KG Chemonics International, Inc.	MED POLICY	$32
	Development Alternatives, Inc.	ED	$392
	Winrock International	ED	$44
	Development Alternatives, Inc.	ED	$351
	The Pragma Corporation /BEI	MED POLICY	$230
	International Fertilizer Development Center	ED	$1,002
	Central Asian Microfinance Alliance	FINANCE	$900
	Total Kyrgyzstan		**$3,561**
Moldova	The Pragma Corporation	FINANCIAL POLICY	$163
	The Pragma Corporation	FINANCIAL POLICY	$39
	Abt Associates	MED POLICY	$175
	Abt Associates	MED POLICY	$25
	Total Moldova		**$401**
Montenegro	Booz Allen Hamilton	ED	$199
	CHF International	ED	$1,600
	International Relief and Development	ED	$936
	Total Montenegro		**$2,735**
Russia	Development Alternatives, Inc.	FINANCE	$1,149
	ACDI/VOCA	FINANCE	$720
	Total Russia		**$1,869**
Serbia	ACDI/VOCA	ED	$1,244
	International Relief and Development, Inc	ED	$184
	ADF America	ED	$376
	Mercy Corps International	ED	$640
	CHF International	ED	$245
	Total Serbia		**$2,689**
Tajikistan	MSFF EBRD Micro and Small Finance Facility	FINANCE	$100
	Central Asian Microfinance Alliance	FINANCE	$650
	Winrock International	ED	$112
	The Pragma Corporation /BEI	MED POLICY	$165
	Development Alternatives, Inc.	ED	$161
	Total Tajikistan		**$1,188**
Turkmenistan	The Pragma Corporation	ED	$20
	Total Turkmenistan		**$20**
Ukraine	BIZPRO Development Alternatives, Inc.	MED POLICY	$46
	AMP-Land O' Lakes	ED	$936
	BIZPRO Development Alternatives, Inc.	ED	$38
	Eurasia Foundation	ED	$60
	Eurasia Foundation	ED	$320
	The Pragma Corporation/Access to Credit Initiative	FINANCIAL POLICY	$273
	Financial Markets International, Inc	FINANCIAL POLICY	$95
	Financial Markets International, Inc	MED POLICY	$95
	Abt Associates	MED POLICY	$170
	Chemonics International, Inc.-LED	MED POLICY	$24
	Center for Ukrainian Reform Education	MED POLICY	$246
	Chemonics International, Inc.-LED	MED POLICY	$921
	Chemonics International, Inc.-LED	FINANCIAL POLICY	$24

MISSION	INSTITUTION	FUNCTION	OBLIGATION AMOUNT
	Agreement Pending	ED	$50
	Total Ukraine		**$3,299**
Uzbekistan	The Pragma Corporation	MED POLICY	$24
	WOCCU	FINANCE	$1,389
	Total Uzbekistan		**$1,413**
	Total Europe & Eurasia		**$27,173**

LATIN AMERICA & CARIBBEAN BUREAU			
Bolivia	WOCCU	FINANCE	$114
	WOCCU	FINANCIAL POLICY	$650
	Total Bolivia		**$764**
Brazil	Fundacao Centro Estudos Comercio Exterior	FINANCE	$200
	Fundacao Centro Estudos Comercio Exterior	ED	$400
	Fundacao Centro Estudos Comercio Exterior	MED POLICY	$215
	Development Alternatives, Inc	ED	$225
	Total Brazil		**$1,040**
Colombia	International Office of Migration	FINANCE	$419
	Panamerican Development Foundation	ED	$1,028
	International Office of Migration	FINANCE	$20
	ACDI/VOCA	ED	$2,000
	Associates in Rural Development, Inc.	FINANCIAL POLICY	$530
	Associates in Rural Development, Inc.	ED	$1,821
	Total Colombia		**$5,818**
Caribbean Regional Program	North-South Institute Inc	ED	$453
	Total Caribbean Regional Program		**$453**
Guatemala	Share	ED	$556
	Save the Children	ED	$644
	CRS	ED	$157
	Total Guatemala		**$1,357**
Guyana	Carana Corporation	FINANCE	$10
	Carana Corporation	FINANCIAL POLICY	$120
	Carana Corporation	ED	$78
	Carana Corporation	MED POLICY	$145
	Total Guyana		**$353**
Haiti	Development Alternatives, Inc./HAP	FINANCE	$200
	Development Alternatives, Inc./MSME	FINANCE	$2,563
	Aid to Artisans	ED	$250
	Total Haiti		**$3,013**
Jamaica	Chemonics International, Inc.	ED	$610
	PA Consulting	ED	$50
	Total Jamaica		**$660**
Mexico	Acceso al Financimiento Rural para la Microempresa	FINANCIAL POLICY	$256
	Caja Popular Mexicana	FINANCE	$450
	Acceso al Financimiento Rural para la Microempresa	FINANCE	$1,025
	Microenterprise Support	FINANCIAL POLICY	$64
	Microenterprise Support	FINANCE	$255
	Total Mexico		**$2,050**
Nicaragua	CRS	FINANCE	$691

MISSION	INSTITUTION	FUNCTION	OBLIGATION AMOUNT
	ADRA	FINANCE	$617
	Project Concern International	FINANCE	$447
	Total Nicaragua		**$1,756**
Panama	Academy for Educational Development	MED POLICY	$500
	Total Panama		**$500**
Peru	Chemonics International, Inc.	ED	$160
	Chemonics International, Inc.	ED	$1,200
	CARITAS	FINANCE	$570
	Chemonics International, Inc.	ED	$570
	Nathan Associates	MED POLICY	$1,000
	Total Peru		**$3,500**
	Total Latin America & Caribbean		**$21,263**
	CENTRAL FUNDING		
Food for Peace	Adventist Development and Relief Agency	FINANCE	$397
	Adventist Development and Relief Agency	FINANCE	$170
	CARE/CPI	FINANCE	$108
	Adventist Development and Relief Agency	ED	$170
	CGAP/PRISMA	FINANCE	$664
	Adventist Development and Relief Agency	ED	$397
	CARE International	FINANCE	$281
	Total Food for Peace		**$2,186**
Microenterprise Development Office	Agreement Pending	ED	$100
	Development Alternatives, Inc.	FINANCE	$675
	IRIS Center for Institutional Reform and the Informal Sector	FINANCIAL POLICY	$741
	FINCA International	FINANCE	$575
	The QED Group, LLC	MED POLICY	$1,674
	Microenterprise Development office	FINANCIAL POLICY	$2,354
	ACDI/VOCA	ED	$500
	SEEP Network	FINANCIAL POLICY	$741
	World Resources Institute	MED POLICY	$165
	Academy for Educational Development	FINANCIAL POLICY	$1,443
	ACDI/VOCA	ED	$525
	The Louis Berger Group, Inc.	ED	$550
	Academy for Educational Development	FINANCE	$1,443
	World Council of Credit Unions, Inc	FINANCE	$500
	Opportunity International	FINANCE	$525
	Academy for Educational Development	ED	$1,443
	Strategic Development Cooperation Asia	ED	$250
	Save the Children	FINANCE	$307
	Chemonics International, Inc.	FINANCE	$450
	Conservation International	ED	$748
	Shorebank International Ltd.	FINANCE	$568
	Development Alternatives, Inc.	ED	$100
	Weidemann Associates	MED POLICY	$1,745
	Total Microenterprise Development		**$18,122**
Office of Private	The Mountain Institute	FINANCE	$85

MISSION	INSTITUTION	FUNCTION	OBLIGATION AMOUNT
Voluntary Cooperation			
	Pan American Development Foundation	FINANCE	$325
	CHF International	ED	$285
	National Cooperative Business Association	FINANCE	$319
	Land O'Lakes	FINANCE	$181
	World Relief	FINANCE	$750
	Freedom from Hunger	FINANCE	$176
	International Development Enterprises	FINANCE	$226
	Americas Assoc of Coops/Mutual Insurance Society	FINANCE	$710
	Institute for Transportation and Development Policy	FINANCE	$287
	WOCCU	FINANCE	$750
	ACDI/VOCA	FINANCE	$256
	SEEP Network	FINANCIAL POLICY	$349
	Total Private Voluntary Cooperation		**$4,699**
Women in Development	dTS Development & Training Services	MED POLICY	$25
	dTS Development & Training Services	MED POLICY	$35
	dTS Development & Training Services	MED POLICY	$31
	Total Women in Development		**$91**
	Total Central Funding		**$25,098**
	TOTAL FY 2006 FUNDING		**$215,954**

* MED Policy= Enterprise Development Policy
* Central Funding awards fund activities worldwide

ANNEX B: MICROENTERPRISE FUNDING BY USAID BUREAU, FY 2006 (US$ THOUSANDS)

The information in Annex B was generated from the MRR database and is current as of June 2007. MRR is a live system that can be updated by missions and institutions at any time.

ANNEX B: MICROENTERPRISE FUNDING BY USAID BUREAU, FY 2006 (US$ THOUSANDS)

MISSION	FINANCE	FINANCIAL POLICY	ENTERPRISE DEVELOPMENT	ENTERPRISE DEVELOPMENT POLICY	TOTAL
AFRICA BUREAU					
Angola			$350		$350
DR Congo			$479		$479
Ethiopia			$6,730		$6,730
Ghana			$2,244		$2,244
Guinea			$600		$600
Kenya		$575	$1,960	$104	$2,639
Liberia			$195		$195
Madagascar			$200		$200
Malawi	$375	$375	$833		$1,583
Mali	$350		$1,074		$1,424
Mozambique			$1,467		$1,467
Nigeria	$6,606				$6,606
Senegal			$1,072	$600	$1,672
Sierra Leone			$53		$53
South Africa			$515		$515
Sudan	$2,450				$2,450
Tanzania			$2,136		$2,136
Uganda	$2,500		$2,162		$4,662
Zambia			$600		$600
Total Africa	**$12,281**	**$950**	**$22,670**	**$704**	**$36,605**
ASIA & NEAR EAST BUREAU					
Afghanistan	$54,498				$54,498
Bangladesh	$295		$102		$397
Cambodia	$1,727				$1,727
East Timor	$840		$648	$250	$1,738
Egypt	$14,163	$1,000			$15,163
India			$610		$610
Indonesia		$1,044	$450	$250	$1,744
Iraq	$11,256				$11,256
Jordan			$332		$332
Lebanon	$450				$450
Mongolia			$3,222		$3,222
Nepal			$1,988		$1,988
Pakistan	$6,400				$6,400
Philippines	$1,290				$1,290
RDM/A	$300				$300
West Bank/Gaza	$4,700				$4,700
Total Asia & Near East	**$95,918**	**$2,044**	**$7,353**	**$500**	**$105,815**
EUROPE & EURASIA BUREAU					
Albania			$1,000		$1,000
Armenia			$73		$73
Azerbaijan	$1,800		$2,045		$3,845
Belarus			$127		$127
Bulgaria	$200				$200

MISSION	FINANCE	FINANCIAL POLICY	ENTERPRISE DEVELOPMENT	ENTERPRISE DEVELOPMENT POLICY	TOTAL
Central Asian Republics	$95		$63		$158
Croatia			$1,056		$1,056
EE Bureau		$160			$160
Georgia	$141	$80	$1,610	$123	$1,954
Kazakhstan	$151		$344	$229	$725
Kosovo			$700		$700
Kyrgyzstan	$1,420		$1,879	$262	$3,561
Moldova		$201		$200	$401
Montenegro			$2,735		$2,735
Russia	$1,869				$1,869
Serbia			$2,689		$2,689
Tajikistan	$750		$273	$165	$1,188
Turkmenistan			$20		$20
Ukraine		$392	$1,404	$1,503	$3,299
Uzbekistan	$1,389			$24	$1,413
Total Europe & Eurasia	**$7,815**	**$834**	**$16,018**	**$2,506**	**$27,173**
LATIN AMERICA & CARIBBEAN BUREAU					
Bolivia	$114	$650			$764
Brazil	$200		$625	$215	$1,040
Colombia	$439	$530	$4,849		$5,818
Caribbean Regional Program			$453		$453
Guatemala			$1,357		$1,357
Guyana	$10	$120	$78	$145	$353
Haiti	$2,763		$250		$3,013
Jamaica			$660		$660
Mexico	$1,730	$320			$2,050
Nicaragua	$1,756				$1,756
Panama				$500	$500
Peru	$570		$1,930	$1,000	$3,500
Total Latin America & Caribbean	**$7,581**	**$1,620**	**$10,202**	**$1,860**	**$21,263**
CENTRAL FUNDING					
Food for Peace	$1,620		$567		$2,187
Microenterprise Development Office	$5,043	$5,279	$4,216	$3,584	$18,122
Office of Private Voluntary Cooperation	$4,699				$4,699
Women in Development				$91	$91
Total Central Funding	**$11,361**	**$5,279**	**$4,783**	**$3,675**	**$25,098**
TOTAL	**$134,957**	**$10,726**	**$61,025**	**$9,245**	**$215,954**

U.S. Agency for International Development
1300 Pennsylvania Avenue, NW
Washington, DC 20523
Tel: (202) 712-0000
Fax: (202) 216-3524
www.usaid.gov